



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)
(916) 445-3956

June 10, 1988

TO: COUNTY ASSESSORS,
COUNTY COUNSELS, AND
OTHER INTERESTED PARTIES

WILLIAM M BENNETT
First District, Kentfield

CONWAY H COLLIS
Second District, Los Angeles

ERNEST J DRONENBURG, JR
Third District, San Diego

PAUL CARPENTER
Fourth District, Los Angeles

GRAY DAVIS
Controller, Sacramento

CINDY RAMBO
Executive Director

No. 88/45

**NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION**

RULE 463.1, Subdivisions

PUBLIC HEARING: Tuesday, August 23, 1988

NOTICE IS HEREBY GIVEN

The State Board of Equalization proposes to adopt Rule 463.1, Subdivisions, in Title 18 of the California Code of Regulations, relating to property taxes. A public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m. on Tuesday, August 23, 1988. Any person interested may present statements or arguments orally at that time and place. Written statements or arguments will be considered by the Board if received by August 23, 1988.

INFORMATIVE DIGEST

Rule 463.1 is being added to interpret and make specific the statutes pertaining to the proper assessment of land when it is subdivided into lots and public-use parcels including streets, parks, schools, school sites, etc.

Current constitutional and statutory law requires the assessor to determine the new base-year value of any taxable real property, or portion thereof, which has been newly constructed. The law, however, is silent with respect to how to allocate the value of newly constructed street improvements (paving, sidewalks, curbs, gutters, utilities, etc) on a street right of way, which will ultimately be dedicated for public use within a subdivision development. This rule is to guide assessors when assessing. The value of the street improvements

is to be allocated over the entire subdivision acreage including the street parcel. When the local governing authority accepts the dedication of the street, the street right of way, and the improvements thereon into the local street system, the value of the land and the improvements previously allocated to the street parcel is then removed from the roll while the value of the street improvements previously allocated to the remaining subdivision land remains on the roll.

COST TO LOCAL AGENCIES AND SCHOOL DISTRICTS

The State Board of Equalization has determined that the proposed change does not impose a mandate on local agencies or school districts. Further, the Board has determined that the change will result in no direct or indirect cost or savings to any State agency, any local agency or school district that is required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code or other nondiscretionary cost or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

EFFECT ON SMALL BUSINESS

The cost impact on private persons or businesses will be insignificant. This proposal will not have a significant adverse economic impact on small businesses.

AUTHORITY

Section 15606, Government Code.

REFERENCE

Article XIII, Section 3, California Constitution;
Article XIII A, California Constitution; Section 50, 70, 71,
Revenue and Taxation Code.

CONTACT

Questions regarding the content of the rule should be directed to Deputy Director, Property Taxes Department, at (916) 445-1516, at 1020 N Street, Sacramento, CA 95814.

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Janice Masterton, Assistant to Executive Director, (916) 445-6479, at the same address.

ALTERNATIVES CONSIDERED

The Board must determine that no alternative considered would be more effective in carrying out the purpose for which the action is proposed or be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF STATEMENT OF REASONS AND
TEXT OF PROPOSED REGULATIONS

The Board has prepared a statement of reasons and a strike-out and underscore version (express terms) of the proposed changes. Both of these documents and all information on which the proposal is based are available to the public upon request. The rulemaking file is available for public inspection at Room 134, 1020 N Street, Sacramento, California.

ADDITIONAL COMMENTS

In the event there are any staff memoranda included in the rulemaking file after the close of the public hearing, these memoranda will be available to the public upon request from Mrs. Masterton for a period of 15 days after the public hearing.

In the event there are any revisions sufficiently related to the published version of the rule, these revisions will be mailed to those interested parties that commented orally or in writing or that asked to be informed of such changes and will be available to the public from Mrs. Masterton for a period of 15 days before adoption.

Following the hearing, the State Board of Equalization, upon its own motion, or at the instance of any interested persons, may in accordance with law adopt the changes proposed without further notice.

Dated: June 2, 1988

STATE BOARD OF EQUALIZATION



Cindy Rambo
Executive Director

Rule 463.1. Subdivisions.

When land is subdivided into lots and public-use parcels (including streets, parks, school sites), the assessor shall assign separate parcel numbers to each of such parcels. The base-year value on the original parcel shall be allocated to all of the new parcels on a square-foot basis. The value of all new construction necessary to produce a finished subdivision shall also be allocated to all of the new parcels on the same basis. When parcels are accepted by a public entity for a public use the assessment roll shall reflect their exempt status as provided in section 252 of this code.

Reference: Article XIII, section 3, California Consitution
Article XIIIIA, California Constitution
Sections 50, 70, 71, Revenue and Taxation Code

Authority: Section 15606, Government Code